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Federal Communications Commission
Office of Secretary

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901 - 15TH STREET, N.W.
WASHINGTON, D.C. 20005-2301
(202) 371-6000
FAX: (202) 371-6279

WRITER'S DIRECT DIAL
(202) 371-6206

July 23, 1998

BY HAND

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

ORIGINAL

Re: Ex Parte Communication in CS Docket No. 98-120

Dear Ms. Salas:

On July 22, 1998, Lawrence R. Sidman and Sara W. Morris of Verner, Liipfert, Bernhard, McPherson & Hand; and David Arland and Edward Milbourn of Thomson Consumer Electronics Inc., met with the following Commission staff regarding the Commission's proposed rules in the above-captioned proceeding:

Karen Kornbluh, Mass Media Bureau
Bruce Franca, Office of Engineering and Technology
R. Alan Stillwell, Office of Engineering and Technology
Robert Bromery, Office of Engineering and Technology
Jon Wilkins, Office of Plans and Policy
Stan Trost, Office of Plans and Policy
John Wong, Cable Services Bureau
Michael Lance, Cable Services Bureau

The substance of the topics covered during the meeting is reflected in the attached materials, which were distributed at the meeting.

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HOUSTON, TEXAS
1111 BAGBY, SUITE 4700
HOUSTON, TEXAS 77002
(713) 225-7200
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SAN JACINTO CENTER
98 SAN JACINTO BLVD, SUITE 1440
AUSTIN, TEXAS 78701
(512) 703-6000
FAX: (512) 703-6003

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745 FORT STREET, SUITE 600
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FAX: (808) 566-0995

MCLEAN, VIRGINIA
8280 GREENSBORO DRIVE
SUITE 601
MCLEAN, VIRGINIA 22102
(703) 749-6000
FAX: (703) 749-6027

Ms. Magalie Roman Salas

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In accordance with Section 1.1206 of the Commission's Rules, an original and one copy of this letter are being filed with your office. Any questions concerning this matter should be directed to the undersigned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Lawrence R. Sidman".

Lawrence R. Sidman

Enclosure

cc: Karen Kornbluh
Bruce Franca
R. Alan Stillwell
Robert Bromery
Jon Wilkins
Stan Trost
John Wong
Michael Lance

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TERRESTRIAL DIGITAL TELEVISION/ CABLE COMPATIBILITY

Situation

- ONLY NATIONAL TRANSMISSION STANDARD IS VSB (ATSC)
- CABLE PREFERRED METHOD IS SECURE QAM
- NO STANDARD BASEBAND INTERFACE
- NO STANDARD SECURITY INTERFACE
- CE INDUSTRY PRODUCING "LEGACY" PRODUCTS
- CABLE PRIMARY MEANS OF US SIGNAL DELIVERY (AND INCREASING)

Possible Solutions

- **STANDARDIZE VSB FOR CABLE TRANSMISSION**
 - SECURITY ISSUES
 - COPY PROTECTION
 - CABLE ADDED VALUE

- **STANDARDIZE HDTV ANALOG AND DIGITAL DATA INTERFACES**
 - CABLELABS OPENCABLE INITIATIVE
 - CEMA/NCTA "DIGITAL CABLE READY" INITIATIVE

- **STANDARDIZE SECURITY INTERFACES**
 - CABLELABS "POD" (PART OF OPENCABLE SPEC.)
 - CEMA NRSS

IEEE 1394

■ WHAT IS IT?

- HIGH SPEED SERIAL DIGITAL INTERCONNECTION SYSTEM
- ALLOWS BIDIRECTIONAL COMMUNICATIONS
- ALLOWS MULTIPLE INTERCONNECTIONS

■ WHAT IS STANDARDIZED?

- CONNECTOR, WIRETYPE, INTERFACE ELECTRONICS (physical layer)
- TRANSMISSION PROTOCOL, SIGNALING, CONFLICT ARBITRATION (link layer)

■ WHAT IS NOT STANDARDIZED?

- THE REMAINING UPPER LAYERS. MOST SIGNIFICANTLY, APPLICATION AND TRANSPORT LAYERS

■ WHO IS WORKING ON IT?

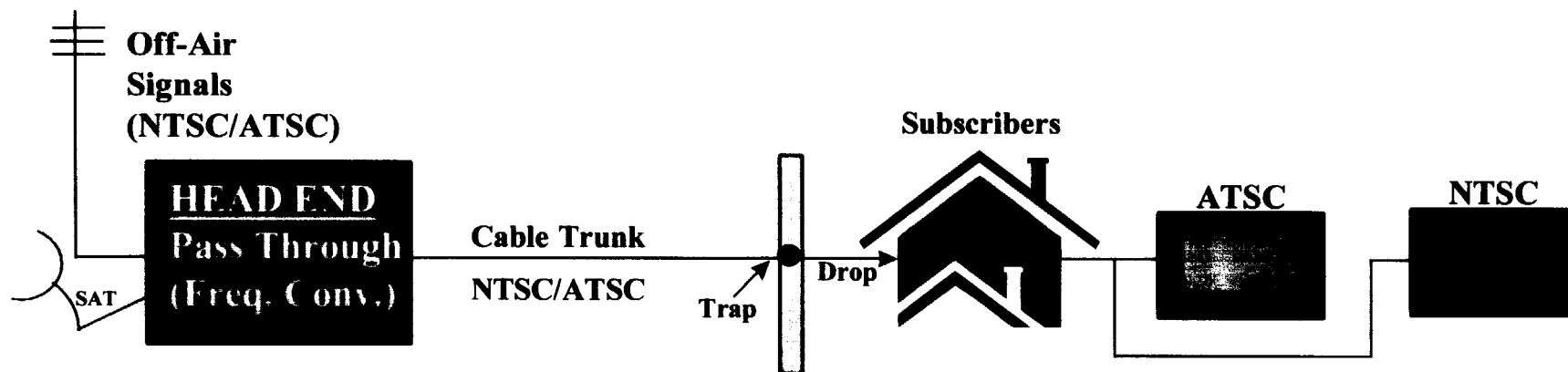
- KEY ACTIVITY IS CEMA R4.1/4.7 COMMITTEES
- OPENCABLE GROUP AWAITING RESULTS
- OBJECTIVE TO STANDARDIZE A GENERAL A/V DIGITAL INTERFACE

- **WHAT ARE THE KEY ISSUES?**
 - **ON-SCREEN DISPLAY TRANSMISSION METHODS**
 - **USER CONTROL**
 - **COPY PROTECTION**

- **HOW CAN THEY BE RECONCILED**
 - **COMBINE COMMITTEES (ATTEMPT ON AUGUST 12) TO SEEK TECHNICAL HARMONIZATION**
 - **BUSINESS ISSUES RESOLVABLE (PATENTS, ROYALTIES, LICENSING)**

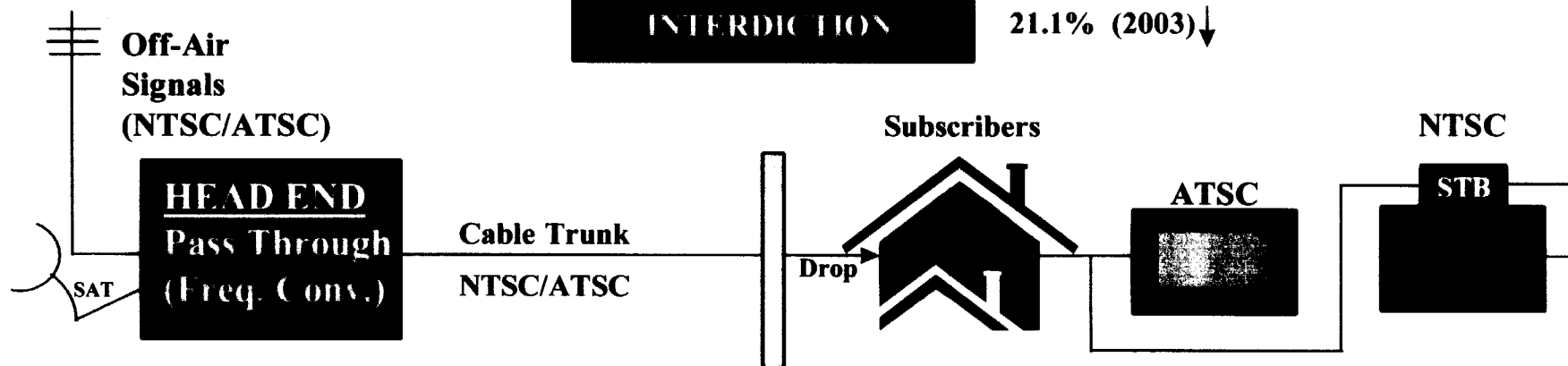
HDTV CABLE DELIVERY ALTERNATIVES

Analog (Short Term) Environment



INTERDICTION

21.1% (2003) ↓



ANALOG SCRAMBLING

33.4% (2003) —

PRO

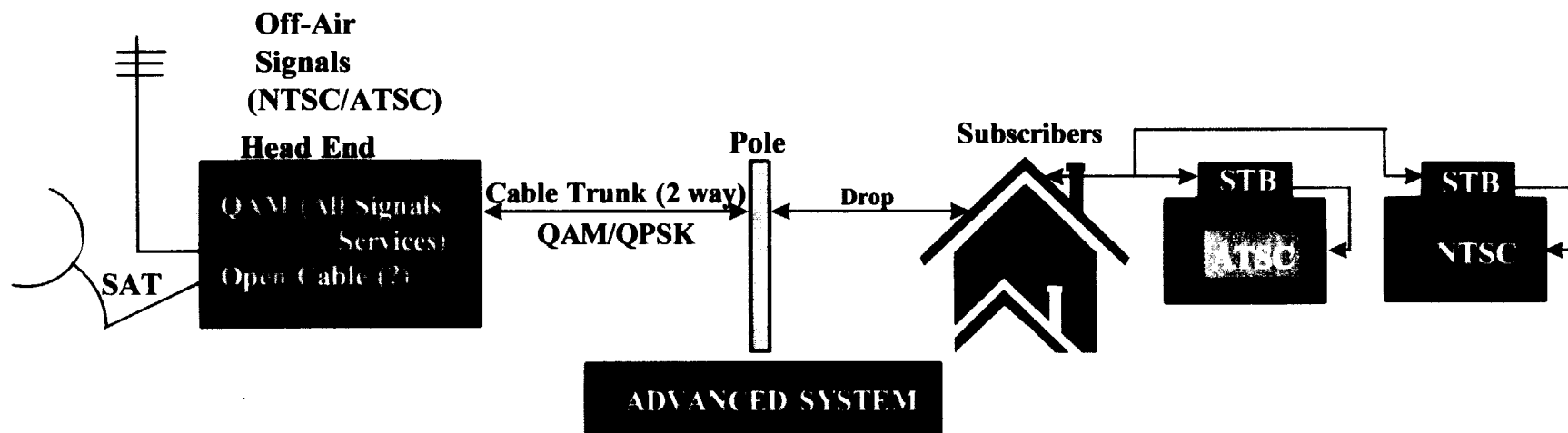
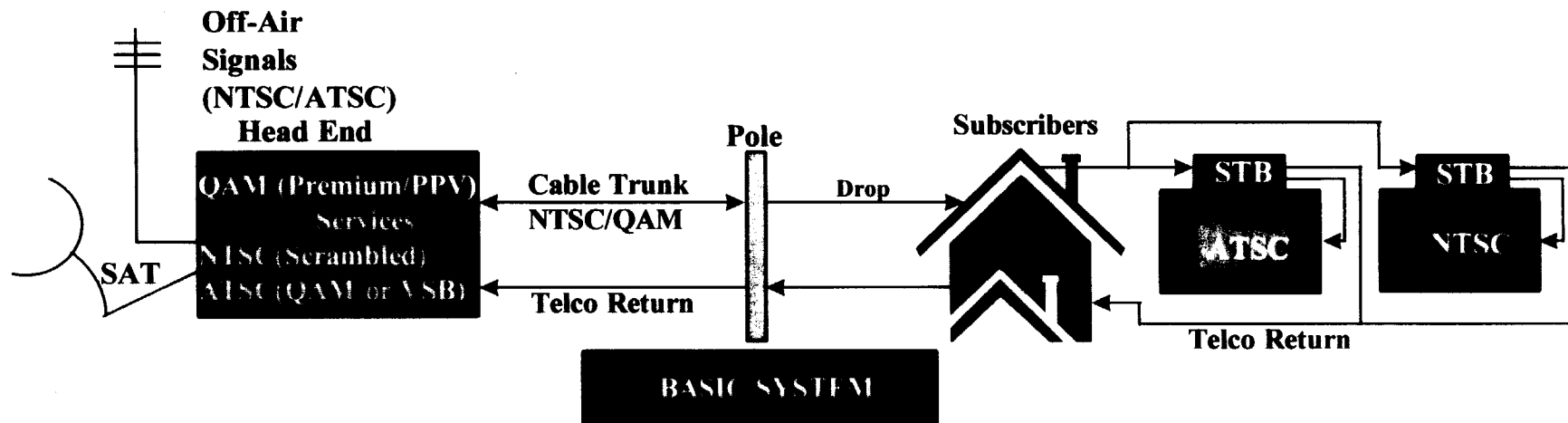
- Very little (if any) hardware requirements
- Equivalent NTSC/ATSC Service

CON

- Requires extra channels (bandwidth)
- Little DTV/HDTV Security Discrimination

HDTV CABLE DELIVERY ALTERNATIVES

Digital (Future) Environment (11.1% - 2003 ↑)



HDTV CABLE DELIVERY ALTERNATIVES

Digital (Future) Environment (11.1% - 2003 ↑)

